

## **complaint**

This complaint is about the sale of a regular premium mortgage payment protection insurance (MPPI) policy. The policy was sold in 1999 by The Prudential Assurance Company Limited (Prudential).

## **background**

Mr and Mrs B say they were mis-sold this policy when they were re-mortgaging because they didn't realise they'd taken it out.

Two of our adjudicators looked at this case. The first thought it should be upheld but this was re-assessed by another adjudicator who said it shouldn't be upheld. Mr and Mrs B disagreed and it's been passed to me for an ombudsman's decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. We have set out our general approach to complaints about the sale of PPI on our website and I have taken this into account in deciding this case.

Having done this, I've decided not to uphold Mr and Mrs B's complaint.

These events took place some time ago so it's not unusual that many of the original sale documents no longer exist. Mr and Mrs B said they couldn't remember much about the circumstances in which the policy was sold.

I've established it was sold during a meeting Mr and Mrs B had with an adviser from Prudential when they were borrowing additional money on a mortgage they already had. Prudential was under an obligation to make sure the policy was suitable for their needs.

The first thing I looked at was whether they ever agreed to buy the policy.

We don't have the original MPPI application form or anything else that categorically shows if or why Mr and Mrs B agreed to take out this type of cover. But there are other documents from the sale which suggest to me there was a long discussion between the parties about Mr and Mrs B's circumstances. I think Mr and Mrs B engaged in these discussions because they took place at their home and I can see they were asked to sign a number of documents.

One of these was a *Personal Financial Review* document which is several pages long. This is a record about Mr and Mrs B's financial circumstances and priorities of the time. Throughout this document, I can see the adviser recommended the MPPI cover and - although there's no straightforward question in this directly asking them to accept or reject his recommendation - Mr and Mrs B signed this document to agree its contents were correct.

I completely accept that this is only part of what would (or should) have been a wider number of forms that showed Mr and Mrs B really did agree to the policy and that they knew it was optional, not compulsory. But this was a long time ago and it's all I've got.

On the other hand, I've nothing to suggest the sale was something they *didn't* want - other than Mr and Mrs B's complaint. But as I've said, they're not entirely clear about their

circumstances at the time. Given how long ago it is, this isn't surprising, but I must bear in mind the potential for memories to be incomplete or mistaken as to whether this policy was wrongly sold.

So I think that the testimonies I've been sent, taken together with the actual documentation still left, make it more likely than not that Mr and Mrs B were aware they were buying this MPPI policy and that they would have known it was optional. I say this also because I think they'd have known they didn't need to buy this policy to get the additional money, because they already had an existing mortgage without such a policy.

I also think it's likely Mr and Mrs B would have been aware of the money leaving their account and the policy being paid for over many years.

Next, I looked to see whether I thought the policy was suitable for them. I looked at their age, jobs and general circumstances of the time to help me decide this. Mr and Mrs B couldn't specify any sickness related benefits they had through their jobs. But I'm aware their income at the time was 'steady' because they'd been employed for a while. I see they also had a moderate savings plan and some life assurance policies.

But this doesn't mean that the MPPI wasn't of some use to Mr and Mrs B. In the event of a successful claim, the policy would have paid out a monthly benefit in addition to any other support they could call on. I think the cost of the policy was comparable with others I know were being marketed at around that time and I've no evidence it was unaffordable for them.

I can't say why they chose to buy this cover when they did, but as I've said, I know they'd previously bought other insurances and from what I've seen, they appeared to be responsible in their financial affairs. So I can see how they could have had a use or desire to have this type of cover. It was designed to help in times of financial difficulty and I think that Mr and Mrs B planned for unforeseen events by having themselves insured. I don't think the policy was unsuitable for them.

Prudential still had to provide information about the MPPI that was clear, fair and not misleading to allow Mr and Mrs B to make an informed decision about buying it. The *Personal Financial Review* I've referred to above could have been set out more clearly but I need to bear in mind that this wouldn't have been the only document they filled in or agreed to. Prudential said they would have been given details about the cover and it sent us an example of the type of information Mr and Mrs B would have been given, including a letter which explained how to cancel the policy.

Obviously, after this length of time I can't say they received this or that they were told everything they should have been told during their meeting with Prudential.

In summary, I don't have enough information to say this policy was mis-sold because the little I do have tends to suggest it wasn't. I'm therefore not upholding the complaint.

### **my final decision**

For the reasons set out above, I don't uphold Mr and Mrs B's complaint and I don't direct The Prudential Assurance Company Limited to do anything to put matters right. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 26 November 2015.

Michael Campbell  
**ombudsman**